

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Springfield Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: September 4, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.40% to 7.25% and a revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Springfield Retirement System
January 1, 2020 Actuarial Valuation

9.2% total cost increasing to FY32 with a final amortization payment in FY33

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2021	12,984,515	1,500,000	2,041,899	1,035,894	60,524,711	78,087,018	972,075,092	
2022	13,568,818	1,500,000	2,133,784	1,082,509	66,985,912	85,271,024	974,336,852	9.2%
2023	14,179,415	1,500,000	2,229,804	1,131,222	74,075,517	93,115,958	969,684,409	9.2%
2024	14,817,489	1,500,000	2,330,146	1,182,127	81,852,865	101,682,626	956,935,836	9.2%
2025	15,484,276	1,500,000	2,435,002	1,235,322	90,382,827	111,037,428	934,759,575	9.2%
2026	16,181,068	1,500,000	2,544,577	1,290,912	99,736,313	121,252,871	901,657,639	9.2%
2027	16,909,216	1,500,000	2,659,083	1,349,003	109,990,833	132,408,135	855,947,059	9.2%
2028	17,670,131	1,500,000	2,778,742	1,409,708	121,231,102	144,589,683	795,739,380	9.2%
2029	18,465,287	1,500,000			137,926,647	157,891,934	718,918,016	9.2%
2030	19,296,225	1,500,000			151,621,767	172,417,992	623,113,242	9.2%
2031	20,164,555	1,500,000			166,615,893	188,280,448	505,674,607	9.2%
2032	21,071,960	1,500,000			183,030,289	205,602,249	363,640,471	9.2%
2033	22,020,198	1,500,000			193,704,420	217,224,618	193,704,420	5.7%
2034	23,011,107	1,500,000				24,511,107	0	-88.7%

Appropriation payments assumed to be made on July 1 of each fiscal year

Normal cost includes assumed expenses of \$1,300,000 and is assumed to increase 4.5% per year

FY21 amount maintained at level of current funding schedule